

April 2001

TO: Harry Jacobs, Manager Special Assessments Unit
Office of the City Clerk
City of Los Angeles

FROM: Kent Smith, Executive Director
Fashion District of Los Angeles Business Improvement
District

SUBJECT: First Quarter Activity Report
January 1, 2001 through March 31, 2001

The purpose of the 2001 First Quarter Report is to summarize key activities that were necessary to accomplish the goals of the District Management Plan and to comply with the terms outlined in the contract Agreement C-97871 between the City of Los Angeles and the Downtown Property Owners Association: Section 2. Corporation Responsibilities: 2.2B Program and Budget Reports-Quarterly Report.

This report outlines Safety, Maintenance, Marketing and Administration activities conducted to ensure quality services designed to make the district a clean, safe and friendly place to work, shop and do business. Nearly \$ 2.5 million dollars a year are spent on district services. It is critical that productivity be measured and tracked daily for each of the operational units that comprise the Clean, Safe and Marketing programs.

Fashion District Activity Reports were developed as a management tool to track and analyze trends, monitor productivity and cost efficiency. Reports are published on a monthly basis and with this detailed historical information we can enhance current systems to better serve the district. A clear understanding of the performance of contractors, personnel, facilities and equipment enables management to deliver quality results consistent with the high standard of service outlined in the District Management Plan.

I Administration/Special Projects

- An open meeting for property owners was held on March 22 to report on the activities and programs being carried out to accomplish the goals of the Business Improvement District. A special power point presentation highlighted Operations, Image/Communications and Special Projects programs and the overall financial status of the organization.

District Improvement Awards were presented to six property owners for property improvements that contributed to the overall enhancement of the district.

Property owners discussed important topics including preparation for the next BID renewal and future downtown development during an open question and answer forum.

- Downtown BIDs met with Council Member Mike Hernandez and J. Michael Carey, City Clerk to discuss how to improve relations between the City and Downtown BIDs.

A complaint process, improved assistance from city departments, standardized accounting, and regular meetings were recommended for consideration.

- Assessments on City owned property remain outstanding at the end of the first quarter although an ordinance to approve payment was passed by the City Council.
- FDBID Executive Director Kent Smith met with Joe Zeronian, the Chief Financial Officer for the LA Unified School District, to discuss unpaid BID assessments. Representatives of three other BIDS containing LAUSD properties and Harry Jacobs of the City Clerks Office also attended. As a result LAUSD lawyers are reviewing the terms of the assessment and a response is expected in late April.
- Three accounting firms were asked to submit proposals for a full audit of the DPOA. The results of the audit will provide full financial disclosure to the DPOA Board and the Advisory Board and interested property owners as well as fulfilling our obligations to the City of Los Angeles. Stanislawski & Harrison were offered and accepted the project. Preliminary work was completed by the end of March. Alan Harrison, the firm's vice president, presented a first draft to The Finance Committee who approved the document for

circulation to the full Board and Advisory Board. Final approval is expected at a joint meeting in mid-April.

- An amendment to clean up the BID law was proposed by several members of the State Assembly. Clarification items include a clearer definition of management district associations, BID renewals, and interest charges on delinquent assessment payments.
- The Board approved a Proposed Stipulation of Settlement for submission to the ACLU in order to finalize the terms of the Interim Agreement between Cervantes et al and the Fashion District BID on March 22. On March 26th, Max Salter, FDBID Board Chair, and Kent Smith met with Ramona Ripston, ACLU executive director to discuss the lawsuit and settlement proposal. Ms. Ripston subsequently informed FDBID that the ACLU has accepted the terms of the final settlement.
- The Downtown Comprehensive Economic Development Strategy (CEDS) report prepared for the Confederation of Downtown Associations was submitted to the City of Los Angeles to meet the requirements of the U.S. Economic Development Administration for 2002 grant eligibility. The report encompasses an overview of issues that challenge the downtown area. The Fashion District infrastructure problems and the Fashion Business Incubator as a source for job development in the FDBID are included.
- FDBID worked with the City of Los Angeles Bureau of Street Services on a MTA Proposal Call submission for streetscape funds for the streets surrounding Santee Alley to improve antiquated infrastructure elements and improve pedestrian walkways. The proposal achieved the highest priority of all City of Los Angeles projects to be submitted to MTA under the pedestrian improvement category (out of 37 projects).

The projected cost of the project is \$1,885,000 and will cover Maple to Santee between Olympic and Pico. The City will contribute \$470,000 to the project (30% match is required) and the FDBID has offered \$100,000 from the BID (\$50,000 per year for two years). This will bring the match to over 35% which is the preferred amount required by MTA.

The Pedestrian Improvements category is the most competitive category of all the MTA funding and we can expect strong

competition from all the other municipalities. A decision will be made in the late summer 2001.

- During a public meeting of the Construction Management Committee on February 6, 2001 at City Hall committee members reviewed the activities required to coordinate all construction and all filming downtown to minimize disruption to businesses. The FDBID is strongly supportive of the effort and a support letter was sent by Chairman Max Salter and Executive Director Kent Smith to all Council Members endorsing the committee's formation.
- Kent Smith met with Gary Moore, the Storm Water Program Manager of the Storm Water Management Division (SWMD) to discuss how BIDs can help meet the City's obligations with the State of California to stop trash and contaminants from getting into Santa Monica Bay. It is the third meeting FDBID has had with the Department of Public Works on the Storm Water Retention issue.

Of the 55 "problem businesses" in this drainage area, none are located in the Fashion District. The FDBID's proactive approach to institute efficient trash collecting efforts and purchase of new cleaning equipment is contributing to solving the problem. These efforts are funded by our property owners and not the City. SWMD Representatives are taking the BID's request for more funding for Operation Clean Sweep and our concern about portable toilets for the homeless directly to the Commissioners of Public Works. The FDBID has offered to distribute their information letter to businesses within the district. It is hoped this partnership will have other positive benefits.

Construction is scheduled to begin on two new storm drains between Maple and Wall on 11th Street and between Santee and Wall on 12th Street in April of 2004. Seasonal flooding at these inadequately drained sites has imperiled pedestrian traffic and businesses for nearly ten years. The \$500,000 project is priority #12 on a list of 350 projects in the City of Los Angeles.

- A public hearing on Business Tax Reform was held at the Central Library in February. FDBID property owner Mark Needleman was appointed by Council District 9 to sit the LA Business Tax Advisory Committee. Business Tax Proposals were circulated to the FDBID Board of Directors who requested that Mr. Needleman be invited to a future Board meeting discuss the potential impact on the Fashion District.

- Implementation of the Downtown Los Angeles Community Court Pilot (DCCP) project progressed to the next level with submission of a draft proposal to the Los Angeles Police Commission Community Court Sub-Committee in March 2001. The proposal outlines the project mission, the intended positive impact on the community and a framework for project start up.

The FDBID began working on this project in 2000 with other downtown BIDs to explore the concept of a community court where downtown misdemeanor offenders would be tried by downtown judges. Community courts are functioning in New York and Portland with positive results including increased ability to track repeat offenders and linking social workers to persons with problem behavior patterns.

The Federal Government through the work of Congresswoman Roybal-Allard has set aside \$400,000 to establish a community court for downtown.

- Progress continues on the LA Walks Wayfinding Signage Program. The FDBID Board reviewed several alternatives for the Fashion District icon and agreed on the symbol that provides easy recognition for the Fashion District and will read well in vehicle as well as pedestrian signage. Of the seven icons that will identify various downtown districts the Fashion District icon will be the only human form symbol.
- The BID hosted an information booth at the ULI Urban Marketplace Fair in March to get the word out on real estate opportunities in the Fashion District. An economic development package was compiled. for distribution to conference attendees. Over 500 packets were distributed and mailed to conference attendees.
- Kent Smith's employment contract was renewed through 2003 by recommendation of the Personnel Committee and approval by the full Board of Directors. Mr. Smith started his work as Executive Director in 1999. He has accomplished a host of important organizational goals since coming on board by steering the BID toward positive growth while ensuring the delivery of excellent service to district property owners.

II Security

- An addendum to the current contract with Burns Security extends the contract for the next three years and includes no major changes. On January 1, 2001 a 50 cent per hour increase went into effect with a second 50 cent increase planned for 1-1-2002 to accommodate increases in the minimum wage. Armed guard service was discontinued January 1, 2001 in recognition of the reduction of violent crime in the district and to reduce liability exposure. The indemnity agreement remains unchanged and has become an important in the settlement with the ACLU.
- Illegal Vending continues to be the major security contact problem although down considerably in the first quarter as compared to activity during the holidays. The LAPD and Health Department continue to assist with seizure of goods and equipment. Problems with loitering and pedestrian harassment have increased around Main and Pico because of the area's use as an unofficial pick up point for day labor. A special foot beat is assigned to the locale on a regular basis.
- A computerized night patrol monitoring system was installed throughout the district to track employee activity and increase special overnight surveillance service to owners and tenants.
- Flower Mart Security, FDBID Clean and Safe Teams, LAPD and LADOT worked in partnership to manage traffic and security for shoppers and floral shop buyers during a very successful Valentine's Day promotion.

III Maintenance

- New automated sidewalk cleaning equipment was brought on line in the first quarter and operating efficiently after staff training and route changes were initiated. CaliforniaMart parking operators were commended for donating parking space for the equipment and installing an electrical outlet and providing electricity free of charge in exchange for one hour of parking structure sweeping per month.

- Glass etched graffiti is a new problem in the Fashion District and in the City of Los Angeles. There is no remedy at this time for the destructive result however some owners are using plastic liners to protect frontage windows. We have contacted MTA to obtain detailed information on combating this form of graffiti and results will be provided to property owners and merchants in the district when available.

IV Image & Communications

- Positioning the Fashion District as the industry leader in California-style contemporary apparel is the major marketing goal in 2001. The Fashion District is working in collaboration with apparel marts and designers to promote the concept to national and international wholesale buyers.
- Public Relations efforts to place stories on business development will be increased during 2001 based on the success of media attention during 2000.
- A new design concept for 2001 District Banners will be translated to all Fashion District communication mediums throughout the year to promote a consistent graphic message and maximize incurred expenses.
- The Fashion District was featured on ABC TV on February 16, 2001 between 5AM and 7AM and again at 4:00pm. Programmers thought the story was so good they advertised both segments during other programming that gave the story a higher profile. As an added bonus ABC agreed to cover the Flower Market live on Valentine's Day and used footage of the tremendous buying traffic and holiday flowers for sale as background shots for the weather segment between 5AM and 7AM).
- A January publication of the Fashion District Newsletter highlighted important district activities and issues for property owners, the City Council, media, business contacts and Fashion District tenants. A recap of holiday advertising included details of the seasonal shopping promotion that featured bargain shopping with a stylist for cable television and print ads.

The Department of Water and Power was also recognized for providing electric-powered bicycles for the Safe Team through a special grant.

- The 2000 Annual Report was distributed to property owners and DPOA friends during the first quarter. A new layout using full color photos on the Fashion District's distinctive newsletter format lent a distinctive look to the special publication. The annual report focused on activities in image-communications, special projects, finance, clean services and public safety services that were carried out over the course of the year to ensure the continued success of the FDBID.
- The popular free Fashion District Trolley Tour continues its scheduled runs during 2001 with tours on the last Saturday of every month and additional tours during the weekends before Christmas. A press release issued in early January attracted media attention from the *Daily News*, *The Pasadena Star News*, *Downtown News* and the *Los Angeles Times*. A popular travel magazine also indicated interest in developing a special story for a future edition.

July 2001

TO: Gary Murakami, Manager Special Assessments Unit
Office of the City Clerk
City of Los Angeles

FROM: Kent Smith, Executive Director
Fashion District of Los Angeles Business Improvement
District

SUBJECT: Second Quarter Activity Report
April 1, 2001 through June 30, 2001

The purpose of the 2001 Second Quarter Report is to summarize key activities that were necessary to accomplish the goals of the District Management Plan and to comply with the terms outlined in the contract Agreement C-97871 between the City of Los Angeles and the Downtown Property Owners Association: Section 2. Corporation Responsibilities: 2.2B Program and Budget Reports-Quarterly Report.

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Fashion District Activity Reports were developed as a management tool to track and analyze trends, monitor productivity and cost efficiency. Reports are published on a monthly basis and with this detailed historical information we can enhance current systems to better serve the district. A clear understanding of the performance of contractors, personnel, facilities and equipment enables management to deliver quality results consistent with the high standard of service outlined in the District Management Plan.

I Administration/Special Projects

- The Fashion District Board of Directors unanimously approved the 2000 financial statement at the April 19, 2001 meeting. Independent auditors, Stanislawski & Harrison, prepared the audit and report. They also agree to recommended approval of the document by the Advisory Board. (see Attachment A)
- The Board also unanimously approved to forego the 2% CPI increase on 2002 property assessments. Prudent management fiscal practices precluded the need for increasing the assessments for next fiscal year. The recommendation was presented to the Advisory Board.
- The Advisory Board met and approved the 2000 financial statement and freeze on the 2% CPI increase for 2002 assessments.
- Over 90% of the Fashion District BID's outstanding receivables are due from publicly-owned properties.
- LAUSD has not paid 1999-2000-2001 assessments. At a meeting in March LAUSD had projected a determination in late April however there has been no response to date.
- The Fashion District actively participated in the California BID Coalition which is seeking changes to the state BID legislation.

Mr. Smith traveled to Sacramento for the Assembly Committee hearing to support the changes which cleared the committee unanimously. The bill then cleared the Senate by unanimous vote. The BID amendment to clarify items such as a clearer definition of management district associations, BID renewals, interest charges on delinquent assessment payments and reaffirm the private nature of BID Boards. The amendment is targeted to reach the Governor for signature in July.

- The Fashion District co-sponsored the first in a series of meetings aimed at forming a downtown neighborhood council on Monday, June 25th. Over 250 persons attended including downtown property owners, business owners, developers, residents, non-profit organization reps, government officials, and District 9 Councilwoman-elect Jan Perry. Participants learned about how neighborhood councils function, the certification process and shared opinions on key issues impacting Los Angeles. The next meeting is Monday, July 23rd when committees will be formed to determine boundaries, establish outreach efforts and a governance structure.
- Progress continues on the LA Walks Wayfinding Signage Program being coordinated by the Confederation of Downtown Associations in conjunction with the Metropolitan Transit Authority. Meetings with the Los Angeles Department of Transportation determined that vehicular signage must be standard green instead of the proposed black background. DOT representatives approved the design of destination and pedestrian signage. Prototypes were displayed on Broadway and Spring Streets to evaluate font size and directional arrow samples. The next step is to identify installation sites.
- Mr. Smith will serve on the Nighttime Broadway development committee to provide the Fashion District's perspective on this on this proposal. A City Planning Commission Task Force led by Robert Landau, an attorney with IRELL & MANELLA, and the Mayor's Office of Economic Development have proposed a plan to encourage nightclubs and dance clubs to locate on the upper floors of buildings on Broadway. The plan includes an innovative proposal to close Broadway to traffic after 7pm (initially between 6th and 8th Avenues) so that people (women in particular) would have easy and comfortable access to the clubs. The plan would allow clubs as a permitted use and significantly extend operating hours along Broadway.

This project could have both positive and negative impacts on our district. Encouraging evening activity will be a welcome addition to downtown but concentrating a large number of clubs on one street will have inevitable impacts on the burgeoning residential conversions and security concerns for neighboring properties. The prospect of adult entertainment uses has to be carefully addressed.

- Downtown stakeholders met to discuss the terms of reference for a \$846,400 study on downtown parking to be prepared by the CRA. The study was refocused from commuter parking needs to considering how the mixture of uses (housing, retail and entertainment) can be better facilitated in downtown through improved parking policies and management programs. The Fashion District will continue to be involved once the study proceeds.
- We attended a forum on downtown housing sponsored by the Central City Association. Mark Tolley of Urban Pacific Properties, Mark Weinstein of MJW Investments and John Molloy of Capital Visions Equities spoke about three Fashion District projects that will contribute over 1,000 units to the downtown housing inventory.
- The Bureau of Street Lighting identified one site as qualified for installation of a utilitarian light as a result of an 8-month survey of the district. The Fashion District requested this evaluation in the effort to obtain additional lighting at no cost in the poorly lit southern part of the BID. According to BSL the area at 14th Place appears to be the only location in the Fashion District that fits the criteria of one utilitarian light per 300-foot radius. Alternative non-assessment lighting installations are available for a nominal charge and owners will be provided contact information for obtaining these lighting fixtures in the upcoming newsletter.
- The Fashion District is working with Gary Moore, the Storm Water Program Manager of the Storm Water Management Division to obtain certification for our sidewalk cleaning equipment which will allow us to dispose of safe waste water into the sewer system. This certification will document our compliance with the City's obligations to the State of California to stop trash and contaminants from getting into Santa Monica Bay. It is the third meeting we have had with the Department of Public Works on this issue.

None of the 55 "problem businesses" in this drainage area are located in our district. We have taken a proactive approach to demonstrate how our trash collecting efforts and our new cleaning equipment is contributing to solving the problem.

- Construction is scheduled to begin on two new storm drains between Maple and Wall on 11th Street and between Santee and Wall on 12th Street in April of 2004. (Design and tendering will begin after July 2002.) The project is priority #12 on a list of 350 projects in the City of Los Angeles. While we would have liked the schedule to be sooner, at least we have a definitive date for this \$500,000 project to begin.
- The Fashion District was invited by organizers for the National Forum on Business Improvement Districts to speak at a conference in San Diego on June 18 – 19 about managing the clean and safe aspects of BIDs. FDBID Operations Director Joe Germain presented an outstanding review of the Fashion District efforts. He emphasized the importance of collecting and recording data for monthly operations reports and how this information is invaluable for measuring and comparing the benefits of BID service.

It was also gratifying to learn that the Fashion District is considered one of the five major success story BIDs in the country by the Golden Triangle BID in Washington DC. Our management, marketing and operations practices are also referenced extensively as a model for success by BID development consultants.

II Operations

Nearly 70% of the annual budget is allocated to Clean & Safe programs. Fashion District Activity Reports were developed as a management tool to track and analyze trends, monitor productivity and cost efficiency. Reports are published on a monthly basis and with this detailed historical information we can enhance current systems to better serve the district. (See Attachment B)

9,971 total Safe Team contacts were recorded during the second quarter. The Clean & Safe Performance summary shows that Illegal Vending continues to be the major problem in the district with 2,751 contacts. This represents an increase over last year with 2,320 contacts. The second major problem is Encampments with 1,231 contacts which is a slight decrease from 1,242 contacts recorded in 2000. Graffiti tags increased compared to last year with 1,446 tags recorded over 1,100.

III Security

- Flower Mart Security and FDBID Clean and Safe Teams worked in partnership to manage traffic and security for Le Fleur Expo 2001 hosted by the American Florist Exchange and Southern California Flower Growers. The successful event drew hundreds of regional trade professionals for floral competitions and demonstrations.
- The Fashion District also provided additional security and maintenance assistance for the popular Fiesta Broadway event.
- LAPD Chief Bernard parks honored Fashion District Night Vehicle Patrol Officers, Freddy Rivera and Francisco Donovan, for their efforts to catch two burglary suspects. The two suspects who offered them a bribe to patrol a different area while they burglarized a business approached the officers. The Safe Team officers agreed, drove around the block and snuck up to observe the two suspects break into a business. They immediately called the LAPD who arrived and arrested the two men with stolen merchandise. *The Downtown News* and the *Los Angeles Garment & Citizen* both covered this story.

- Safe Team officers and administration staff served 435 dinners, in less than 45 minutes, to homeless and needy persons at the Midnight Mission. This was an opportunity for the Safe Team and the homeless to see each other in a different light.
- Sheriff Baca convened several meetings during the second quarter to present and discuss a proposal for a Homeless Shelter. The early challenge is to locate a site for the shelter.
- Discussions continue for developing a community court.

IV Maintenance

- “GumBusters” gum removal system is being evaluated to determine the feasibility of removing the black gum spots blighting the district sidewalks. The Operations Committee were favorably impressed by an on site demonstration of the equipment and requested a Board decision on using the machines. The Board subsequently approved using one machine for a 90-day trial period and will consider additional equipment after review.
- Over 550 Fire Hydrants in the district were given a fresh coat of chrome yellow paint by the graffiti crew during evening non-business hours.
- Trash tonnage collected in second quarter increased 71 tons over tonnage reported at the same time last year.

2001 Second Quarter

488 tons

Approximately 5.4 tons
Per day

2000 Second Quarter

417 tons

Approximately 4.5 tons
Per day

- District sidewalks are visibly cleaner since the automated Tennant equipment was brought on line. Over 20 million square feet of sidewalks were cleaned and scrubbed in the second quarter compared with 4 million square feet pressure washed manually during the second quarter of 2000.

The automated Tennant equipment accounted for cleaning 19 million square feet of sidewalk. Manual pressure washing was decreased to cleaning approximately 1 million square feet of sidewalks and used for special projects such as removing handbills from light poles.

V Image & Communications

Public Relations is the main emphasis of the 2001 marketing campaign and efforts are paying off. The Fashion District received an increase in media attention during the second quarter as a result of an increase in construction, renovation, special events and program projects. (See Attachment C)

As a result over 19,106,386 unpaid advertising media impressions were recorded in the second quarter. This represents over a 100% increase in media impressions recorded in the second quarter of 2000. It is clearly evident that attracting attention for program projects is leveraging millions of dollars in free advertising and promotions for the district.

Public recognition of the Fashion District has correspondingly risen. Over 200,000 Website Hits (individual page visits) were recorded in the second quarter. (Please note comparison with second quarter 2000 is not possible as this type of record was not available until June 2000). Website visits (numbers of visitors logging on to www.fashiondistrict.org) increased over 100% compared with last year. Over 24,000 visits were recorded this year as compared with 10,500 visits recorded last year.

Map Guide distribution decreased from last year. This is likely due to providing map guides for special events such as the Democratic National Convention and several other high profile conventions hosted by the LACVB that took place in 2000.

- The *Los Angeles Times* Sports Section ran a story during the NBA Finals describing the preparations by LAPD to deploy more officers in hopes of averting the violence that spoiled last years' Laker victory celebration. The Fashion District was recognized for acting quickly last year to put out fires in the district started by vandals
- *LA Business Journal* ran a story describing the "Downtown Deluge" that has descended on the Fashion District with shoppers and developers flocking to the evolving business district. The story also provided coverage about the pedestrian counts conducted at the end of 2000 that showed a 300% increase in foot traffic in some areas of the district.

- Another *LABJ* front page story described a major \$72 million housing-retail complex planned for the district by a Fashion District property owner and developer.
- Hard hats are required attire in The Fashion District according to *WWD* in an article this week, "A Makeover for the Marts." Construction and renovation continue in the LA Apparel Mart, CaliforniaMart, The New Mart and the Cooper Building as marts evolve to meet the needs of trade shows, manufacturers and designers.
- The Fashion District is featured in the April edition of *Sunset Magazine*. We have enclosed a copy for your information. We have also enclosed a copy of an article on LA Fashion in this week's edition of *Newsweek*. It's nice to see the mainstream media taking notice of what's happening right here in Los Angeles.
- The Fashion District has a new, permanent listing on the LAInsider.com website with a link to our website www.fashiondistrict.org in the shopping/mall category. LA Insider is a search engine to the local LA market and hosts approximately 175,000 users a month.
- CaliforniaMart requested Fashion District participation in coordinating a "Dress for Success" / Community Job Fair planned for July. Contractors Burns Security and Facilities Support Services were asked to attend the job fair to interview potential employees.
- Interest in developing a comprehensive LA Fashion Week in downtown has attracted attention from Global Fusion, a prominent international public relations firm. Similar fashion weeks in New York City and London are hosted annually to draw media and buyer attendance for runway shows and visitor events. The Fashion District is working with apparel industry representatives to explore the viability of the plan.

ATTACHMENTS

- A. 2000 Financial Statements
- B. Clean & Safe Contact Summary: Second Quarter
- C. Selected Media Clips

October 2001

TO: Gary Murakami, Manager Special Assessments Unit
Office of the City Clerk
City of Los Angeles

FROM: Kent Smith, Executive Director
Fashion District of Los Angeles Business Improvement
District

SUBJECT: Third Quarter Activity Report
July 1, 2001 through September 30, 2001

The purpose of the 2001 Third Quarter Report is to summarize key activities that were necessary to accomplish the goals of the District Management Plan and to comply with the terms outlined in the contract Agreement C-97871 between the City of Los Angeles and the Downtown Property Owners Association: Section 2. Corporation Responsibilities: 2.2B Program and Budget Reports-Quarterly Report.

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I Administration/Special Projects

- The MTA Board awarded the City of Los Angeles \$1.2 million to undertake a streetscaping project in and around Santee Alley. The BID has pledged to contribute \$50,000 towards the project and to maintain the streetscape improvement. Pedestrian counts conducted by the BID in October/November 2000 were cited by MTA staff and board members as reasons for approval.
- The State BID legislation amendment was signed into action by the Governor in July. The amendments approved clarify items such as a clearer definition of management district associations, BID renewals, interest charges on delinquent assessment payments and reaffirm the private nature of BID Boards. The new legislation takes effect January 1, 2002.
- Letters requesting district infrastructure upgrades were forwarded to Councilwoman Perry and Councilman Pacheco. Detailed surveys were conducted of damaged curbs/sidewalks, and street conditions. A request to move the 12th and Maple storm drain repair farther up on the priority work list was also filed so that construction does not conflict with the streetscape project due to start in 2003.
- Progress continues on the LA Walks Wayfinding Signage Program being coordinated by the Confederation of Downtown Associations in conjunction with the Metropolitan Transit Authority. The wayfinding signage program also received another \$1 million infusion from MTA, all of which will be available for sign installation.
- The first step to develop a search engine for the Fashion District website is underway with a detailed inventory of every ground level store in the area. The goal is to create a user-friendly directory that provides a comprehensive list of products and locations for shoppers and buyers. The second step will include an upper floor survey. Once the inventory is complete the data will be formatted into a directory similar to that of the highly successful Fashion Center in New York.

- Efforts to form a Downtown Neighborhood Council continue. During July, August and September the Boundaries, Outreach, Issues and Governance Committees met to develop the components required for certification.

The Downtown BIDs are combining efforts to contribute the resources, such as copying, staff time, traffic control, operations assistance and committee participation, required to implement the Downtown Neighborhood Council.

At the August 20th General Meeting the committees reported on their progress and get feedback from the participants. A number of controversial issues, especially in boundaries, came out that will need to be worked through before any consensus is reached. Boundaries have been tentatively set as Washington on the south, the River on the east, the 110 Freeway plus the Medici/LA Studios on the west and Caesar Chavez on the north assuming that Chinatown does not decide to join the Downtown Neighborhood Council. Little Tokyo and the Artist's Loft District may also decide to join Chinatown to form a separate council. It is now proposed that the Council consist of 27 members: 11 residents, 8 business, and 8 other (i.e., arts & culture, education, special services.) Once the Bylaws are adopted the next step is preparation of the application for certification.

- The Department of Water and Power hosted an Economic Summit Meeting August 29, 2001 for BID Consortium members to discuss potential partnership programs and funding that will enhance Clean & Safe efforts in Los Angeles. Over \$20 million is allocated for Economic Development for 2001-2001. DWP is seeking direct communication through BID newsletters and other outreach materials to inform property owners about incentives. DWP representatives also want to work directly with BIDs to identify special projects and potential funding. The Fashion District intends to request funding for more lighting, help with Clean & Safe efforts, and economic incentives.
- The LA Conservancy hosted a Historic Core Loft Tour on Sunday, August 12th that proved to be highly successful. The Fashion District helped sponsor the tour that featured 19 buildings and afforded the opportunity to see some superbly finished and decorated loft spaces. Also featured were buildings that are undergoing renovation work now and others being considered for conversion.

In the Fashion District, the Pacific Electric Building and the Bartlett Building were open to offer an example of pre-renovation interiors.

- The California Preservation Foundation is presented a workshop on September 28th about incentives for historic preservation. The Los Angeles Conservancy and Gilmore Associates hosted the workshop. An invitation letter and brochure were sent to Fashion District property owners in the Spring – Main – Los Angeles Street area. BID representatives attended. Topics included information on Federal, State and Local Incentives, and case studies.
- LAUSD assessments continue to be unpaid after several years of requests and meetings. Since the school district does not receive property tax statements from the County, the City Special Assessment Unit has issued special invoices.
- The 47th Annual International Downtown Association Conference in Pittsburgh. Staff members and a member of the Board of Directors attended over 70 sessions in four days to learn about new concepts in business improvement district management.
- The incidents of September 11th made an indelible impact on the country and in the Fashion District. While our diverse community pulls together in a show of national support, many companies are severely weakened by the loss of shoppers and buyers. The Fashion District is working to develop several short-term and longer-range plans to support the business community and to address security concerns in the BID area.

II Operations

Nearly 70% of the annual budget is allocated to Clean & Safe programs. Fashion District Activity Reports were developed as a management tool to track and analyze trends, monitor productivity and cost efficiency. Reports are published on a monthly basis and with this detailed historical information we can enhance current systems to better serve the district. (See Attachment A)

11,990 total Safe Team contacts were recorded during the third quarter. This represents a 16% increase over 2000 with 10,335 contacts recorded. Illegal Vending, Graffiti Vandalism and Encampments continue to be the primary contact problems during 2001.

2000 – 2001 Contact Comparison

Category	2000	2001	% Increase
Illegal Vending	2,462	2,636	7%
Graffiti Vandalism	1,143	2,265	98%
Encampments	995	1,657	66%

III Security

- Executive Director Kent Smith and Joe Germain, Operations Director, attended a meeting organized by Chief Parks to better coordinate LAPD and private security in response to the terrorist attacks on September 11, 2001. Better and faster contacts for LAPD's terrorist division and bomb squads are now in place.
- The Fashion District revised current emergency preparedness plans and now have completed an inventory of every building over 3 stories. The next step is collecting contact information for property managers in these locations to set up phone and e-mail trees.
- The illegal vending problem in the Fashion District reached a critical point during the third quarter. The number of food vendors selling everything from hot dogs to live turtles continues to increase dramatically in response to the large numbers of pedestrians frequenting the area. These vendors are not licensed and the food is not inspected by authorities.

The Fashion District requested assistance from the County Board of Supervisors to avert a potential public health hazard by asking for additional funding for more health inspectors downtown. Mr. Smith and Mr. Germain met with representatives from Supervisor Molina's office and the County Health Department to discuss several proposals including a multi-agency task force to enforce current health regulations as well as city ordinances. The Department of Public Health is evaluating deployment of additional staff.

- Problems with Day Laborers in the Fashion District were brought to the attention of the Mayor's Office by LAPD. Officer Kris Werner and a representative from Mayor Hahn's staff visited the Fashion District to observe the problems associated with laborers and their prospective employers. They also visited the Downtown Community Job Center site on 14th Place to ensure that all parties involved in the operation of the center are fulfilling their obligations to make the project work.
- Operation Clean Sweep's new district representative, Michael Espinosa, met with Mr. Germain in August to review how BIDs operate in downtown. Mr. Espinosa ensured that the Fashion District will receive additional trashcan liners and sufficient red paint for repainting curbs throughout the district.
- The ACLU lawsuit against the Fashion District was officially settled in July. The parties have agreed to meet every 60 days to continue to keep the lines of communication open. The first meeting took place in August and work commenced on a training video to be watched by all Safe Team personnel to sensitize them on the problems of the homeless. To ensure that all aspects of the settlement agreement are in place representatives met in August to develop a training video.

IV Maintenance

- The Fashion District has commenced removing all gum from the district. Work is proceeding slowly due to the tremendous amount of gum on district sidewalks.
- Curbs throughout the district are being repainted during overnight hours with red paint supplied by Operation Clean Sweep.
- MTA has authorized wastewater disposal at their operations facility from Fashion District automated sidewalk cleaning equipment.
- Clean Teams continue to work with LAPD and the Health Department to dispose of product from illegal vendors in the district.

- **Trash tonnage collected in the third quarter increased 173 tons over tonnage reported at the same time last year.**

2001 Third Quarter
 581 tons
 Approximately 6 tons/day

2000 Third Quarter
 408 tons
 Approximately 4.5 tons/day

- Other notable Clean Team third quarter accomplishments include:

81 alley cleanings
 58,431 trash can liners used
 106 storm drains cleaned
 23 weed abatements

- During the third quarter manual pressure washing was phased out of service and replaced by the Tennant automated sidewalk cleaning system. Second and third quarter square footage comparisons show a decrease in square footage cleaned. This is due to technical difficulties with the equipment which have been resolved.

Automated Sidewalk Cleaning: Square Feet of Sidewalk Cleaned

2001
Third Quarter
 14.5 million sq ft

2001
Second Quarter
 19 million sq ft

2000
Third Quarter Comparison
 4.3 million sq ft (Manual pressure washing equipment)

V Image & Communications

Public Relations continues to be the main emphasis of the 2001 marketing campaign during the Third Quarter. Increased in media attention during the third quarter is a result of continued construction, renovation, special events and program projects in the District.

2001 Media Impression Comparison

Third Quarter	22,725,260	Second Quarter	19,106,386
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This represents an 89% increase over last quarter.

Website hits decreased during the third quarter but expected to increase again during the Fourth Quarter marketing/advertising effort.

2001 Website Hit Comparison

Third Quarter	154,978	Second Quarter	200,000
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Internal Communications

The Summer 2001 newsletter was distributed to property owners and tenants. The District's reconstruction and renovation is reinforced in the newsletter with stories on new developments and updates on special new services.

External Communications

Public Relations

Press releases focusing on various new projects and services resulted in media coverage on ABC Television, KCAL 9, LA Downtown News, LA Garment & Citizen, The Los Angeles Times, Westsider, Wilshire Independent, and Hollywood Independent. Sample media clip is attached.

Image Update

Board and staff agreed to update the image of the Fashion District with several changes. Implementation will continue into the next quarter.

Fashion District Logo Redesign

Board and committee agreed to update the logo and name of the district to the **"LA Fashion District"**. MagLA, Graphics Company was selected for the work based on their experience with the apparel industry and the look of their portfolio.

Fashion District Banners

Banners were redesigned by the Hunt Design Group. This is the first time a four-color process will be implemented and also the first time the Fashion District is using photographs as banner graphics. Graphics are attached.

Advertisement Layout

MagLA was also retained to develop a template advertisement graphic that can be used in various publications with minor graphic and copy changes.

Advertising

In preparation for the Fourth Quarter Marketing and Advertising Campaign Board Members completed surveys to indicate their opinions on how the advertising should be focused for best results.

- Four priorities were identified for implementation: wholesale newspaper ads, more public relations, direct mail campaigns, and retail newspaper ads.

A new advertisement layout was successfully used in the September issue of Women's Wear Daily as the first effort to implement the Board's Opinion Survey to increase wholesale advertising efforts. The ad corresponded with a CaliforniaMart and New Mart Market Week for wholesale buyers to gain potential buyer interest for the entire Fashion District.

District Inventory – Website Update

The first step to develop a search engine for the Fashion District website is underway with a detailed inventory of every ground level store in the area. The goal is to create a user-friendly directory that provides a comprehensive list of products and locations for shoppers and buyers.

Once the inventory is complete the data will be formatted into a directory similar to that of the highly successful Fashion Center in New York. The finished product, which should prove to be a valuable promotional tool for the LA Fashion District. The goal is to have most of the retail portions of the district on line by November with a press release to announce the new service as a holiday shopping promotion.

Attachments

Third Quarter Safe Team Contact Summary

Summer 2001 Newsletter

Banner Graphics

“Trawling for Trends”
July 2001

Los Angeles Times

“experience West Coast Style”
September 2001

Women’s Wear Daily

January 2002

TO: Gary Murakami, Manager Special Assessments Unit
Office of the City Clerk
City of Los Angeles

FROM: Kent Smith, Executive Director
Fashion District of Los Angeles Business Improvement
District

SUBJECT: Fourth Quarter Activity Report
October 1, 2001 through December 31, 2001

The purpose of the 2001 Fourth Quarter Report is to summarize key activities that were necessary to accomplish the goals of the District Management Plan and to comply with the terms outlined in the contract Agreement C-97871 between the City of Los Angeles and the Downtown Property Owners Association: Section 2. Corporation Responsibilities: 2.2B Program and Budget Reports-Quarterly Report.

This report outlines Safety, Maintenance, Marketing and Administration activities conducted to ensure quality services designed to make the district a clean, safe and friendly place to work, shop and do business. Nearly \$ 2.6 million dollars a year are spent on district services. It is critical that productivity be measured and tracked daily for each of the operational units that comprise the Clean, Safe and Marketing programs.

Fashion District Activity Reports were developed as a management tool to track and analyze trends, monitor productivity and cost efficiency. Reports are published on a monthly basis and with this detailed historical information we can enhance current systems to better serve the district. A clear understanding of the performance of contractors, personnel, facilities and equipment enables management to deliver quality results consistent with the high standard of service outlined in the District Management Plan.

ADMINISTRATION/SPECIAL PROJECTS

Fashion District Positioned for Two Central Business District Redevelopment Projects

The Community Redevelopment Agency (CRA) is moving forward to establish two redevelopment projects areas in downtown Los Angeles. Project areas will include all of downtown except Bunker Hill, the west downtown and the Staples Arena. The Fashion District was included in one redevelopment area along with South Park, the Historic Core and parts of Downtown Center including the Jewelry District.

Fashion District Executive Director Kent Smith was elected to the CRA Project Area in December and will help to establish priorities for funding projects. The City Center Project is scheduled for formal approval by City Council in May 2002.

Zoning Issues

There is a proposal to put a "sexual encounter use" in a vacant building at 1138 South Broadway just outside our district. The Fashion District and other downtown BIDs attended the hearing in December to speak in opposition of the project. A determination is expected in January, 2002.

A building at 1023 Broadway owned by Anjac (Steve Needleman) – also outside our district was issued a "Notice to Comply" by the Building and Safety Department as a result of a complaint. The building is zoned commercial but contains manufacturing uses and therefore is in violation of the zoning ordinance. There is a similar zoning issue in the Jewelry District where commercially zoned buildings are being used for jewelry manufacturing (there are other state environmental issues overlaid on this). The Fashion District brought this to the attention of both Council Members Jan Perry (CD 9) and Nick Pacheco (CD14).

Santee Court, an adaptive reuse project involving nine buildings concentrated on Los Angeles between 7th and 8th Streets has received its conditional use permit from the City to allow MJW Investments Inc, the property owner, to convert the upper floor spaces to residential. Kent Smith attended the hearing in November to speak in support of the project. Santee Court was also the host of the District's first Architect's Design Charette on December 15th, 2001. Eight architectural firms participated in this juried workshop to generate creative solutions for the new project.

Wayfinding Signage Update

Progress continues on a downtown wide Wayfinding Signage Program. Downtown BIDs are currently evaluating sites for the vehicular signs which are tentatively slated for installation by the end of the summer.

Meetings with Council Districts Draw Attention to Need for Infrastructure Improvements

As a result of previous discussions and subsequent meetings, the Department of Public Works, Bureau of Street compiled a Fashion District Needs Assessment and Preservation Plan for the Council District 9 area of the Fashion District. Discussions are underway for developing a similar plan for Council District 14 areas of the district. Several recent and upcoming improvements developed from the meetings including street paving.

Street Paving

The Fashion District is working with Council Districts 9 and 14 to schedule street repaving throughout the district. Street Work Notices were issued just as our busiest shopping season started. We were able to work with the Bureau of Street Services to defer the work until January 2002 to ensure that street closures would not disrupt business.

Notices were distributed to Owners and Merchants in the affected areas inviting them to call the Fashion District BID with concerns or problems. Areas scheduled for January-February include Pico Blvd from Maple to Main – 12th Street from Central to Main – Wall Street between 12th Street and Pico – Los Angeles Street between Olympic and the 10 Freeway. We will continue working toward repaving the entire district.

Operation Bright Lights Says No to Additional Utilitarian Street Lights

Unfortunately not every attempt to obtain district improvements from city departments was successful. The Bureau of Street Lighting (BSL) identified only one site as qualified for installation of a utilitarian light as a result of an 8-month survey of the district. The Fashion District requested this evaluation in the effort to obtain additional lighting at no cost in the poorly lit parts of the BID. According to BSL the area at 14th Place

appears to be the only location in the Fashion District that fits the criteria for one utilitarian light per 300-foot radius.

Newsstands Removed

In mid-November, three very ugly unpainted boxes housing magazines appeared at 5th and Los Angeles, Olympic and Los Angeles, and 11th and Maple. We immediately received complaints from numerous property owners. Ellen Stein, a Commissioner with the Board of Public Works was contacted and she arranged for an inspector to visit the district. The newsstands were found to be legal however two of them contained adult material which was not legal and the stands were removed.

Streetscape Furniture Ordinance in Approval Stages

The City Council tentatively approved a plan by the joint venture of Viacom Ducoe (formerly Infinity Ducoe) to place street furniture throughout the City. The City agree to a contract, whereby Viacom Ducoe will sell advertising space on the various benches, information kiosks and public toilets to generate revenue.

In the coming months the Fashion District BID will be meeting with Viacom Ducoe, other downtown BIDs and the City's Chief Legislative Analyst to assist in the placement of the street furniture.

CRA Parking Study

As discussed previously the CRA is doing a comprehensive parking study downtown. As part of this work a supply/demand study for parking is being done for the area between 4th and 9th Streets and Olive and Wall Streets, which includes about 18 blocks of the Fashion District. This study is prompted by the recent loft conversion projects planned for this area. The study will also identify two sites for parking structures and will examine the feasibility of establishing a shuttle service to other parts of downtown Los Angeles from these and other parking structures.

Downtown stakeholders met to discuss the terms of reference for a \$846,400 study on downtown parking to be prepared by the CRA. The study was refocused from commuter parking needs to considering how the mixture of uses (housing, retail and entertainment) can be better facilitated in downtown through improved parking policies and management programs. The Fashion District will continue to be involved once the study proceeds.

Targeted Neighborhood Initiative (TNI)

A TNI has been established for the new residential neighborhood between 3rd and 7th and Spring and Los Angeles Streets, which includes a small part of the Fashion District. \$3 million has been allocated by the City to help residents and businesses develop, implement and sustain improvements in their neighborhood. We will monitor the TNI to ensure that these improvements (streetscaping, commercial façade programs) are fairly allocated to our portion of the TNI. There is an enforcement component with TNI and we are working with the City's PACE (Pro Active Code Enforcement) unit to conduct an illegal vending sweep of Los Angeles Street between 5th and 7th.

Historic Design Guidelines Nearly Complete

A \$65,000 grant award from the Getty Foundation produced a unified set of building design guidelines for the area around Spring Street and Broadway. Architectural Resources Group (ARG) were selected to guide the process. The Fashion District BID and owner and merchants in the area participated in community meetings to discuss how design guidelines can apply to the Spring and Main Street areas of the Fashion District. Draft Guidelines are available at the Fashion District BID office and will be finalized by Spring 2002.

On a related note the Los Angeles Conservancy has received \$1 million from the Federal Government for a commercial façade program in the area between Hill and Main and 3rd and 9th Streets. This is the result of the design guidelines we have prepared with the Getty funding.

BID Legislation Amendment

A new BID legislation amendment was signed into law in 2001 and became effective January 1, 2002 that requires our organization to abide by the Brown Act and the Public Records Act. The Management Board, however, will continue to be a private entity and will not be subject to financial disclosure requirements of public agencies. The Board adopted a set of policies to ensure compliance that includes posting agendas and time for public discussion at the beginning of each meeting. The Fashion District has not had to change usual meeting procedures since our meetings have always been open to property owners and the public.

The newly adopted Board policies are:

- Post the approved 2002 Meeting Calendar at the Fashion District Field Office at 924 South San Pedro Street, Los Angeles, CA 90015.
- Post agendas at the Fashion District BID Field Office 72 hours in advance of regular Board and Committee meetings.
- Regulations for Public Discussion will include the following:
- Time for Public Discussion to be scheduled at the beginning of each meeting
- Participants must register to speak
- Limit time to three minutes each
- Agenda formats will be general and include brief descriptions of action items only.
- Maintain permanent records in the Fashion District BID Administration Office

Revised BID Contract

Meetings began in December to develop a template BID contract that can be used by BIDs throughout Los Angeles. Both Hollywood and the Toy District received their draft BID contracts from the City of Los Angeles and found a number of proposed provisions that require detailed review by the Business Improvement Districts. The largest BIDs including Central City Association/Downtown Center BID met with City Clerk Mike Carey discuss revisions that will make the contract more acceptable to the BIDs.

Board of Directors Election

Board members voted to fill five vacant seats for the coming year. Four members were re-elected to serve additional terms and one new member was elected. Each member must serve on at least one committee and committee appointments are scheduled for the first meeting in 2002. The new Board will also vote to seat Officers in January 2002.

Strategic Planning Proposal

The Fashion District took the first step toward developing a Strategic Plan. Getting input from the property owners is critically important in developing a plan and a survey of opinions will serve as a foundation for developing a vision statement and project list. The plan is scheduled for completion by Summer 2002.

California Market Center (CMC)

CaliforniaMart's Building C is transforming into the California Market Center. The CMC will house gift and home furnishing showrooms.

The CMC represents a new creative dimension to the Fashion District and an economic boost to the City of Los Angeles. The CMC and CaliforniaMart, the wholesale apparel center, will create cross buying opportunities with adjacent apparel showrooms where buyers can maximize buying trips in a "one-stop-shop" environment.

The increased number of buyers to Los Angeles will subsequently add to restaurant patronage and hotel room nights in downtown.

New Office Space

CaliforniaMart management is "restacking" all three buildings to organize showrooms for buyer convenience. The Fashion District administration office is relocating to the "A" building as part of the restacking plan with a projected move in date in March 2002. The space they have identified is the same size as the current office and is being reconfigured to incorporate a large meeting room.

Downtowners of Distinction Award

The Fashion District Business Improvement District was recognized as one of 14 regional BIDs whose efforts are driving downtown's economic engine. The first annual event was sponsored by the *Los Angeles Downtown News* and co-sponsored by the Community Redevelopment Agency.

Influential Twenty Award

Kent Smith was recognized as one of the twenty most influential apparel industry and organization leaders by *California Apparel News*. Mr. Smith was lauded for his work to promote the visibility of downtown Los Angeles' Fashion District. Favorable news programs and print media are making a positive impact on the economy by attracting commercial tenants to the district. The Fashion District is also gaining importance as a world fashion capital as a result of Mr. Smith's public relations strategies.

OPERATIONS

Nearly 70% of the annual budget is allocated to Clean & Safe programs. Fashion District Activity Reports were developed as a management tool to track and analyze trends, monitor productivity and cost efficiency. Reports are published on a monthly basis and with this detailed historical information we can enhance current systems to better serve the district.

11,972 total Safe Team contacts were recorded during the fourth quarter. Illegal Vending, Graffiti Vandalism and Encampments continue to be the primary contact problems during the fourth quarter.

2000 – 2001 Contact Comparison: Fourth Quarter

Category	2000	2001	% Increase
Illegal Vending	2,636	3,151	19%
Graffiti Vandalism	1,050	1,860	8%
Encampments	805	1,549	92%

SECURITY

Illegal Vending Problems Attract Attention of County Board of Supervisors

The illegal vending problem in the Fashion District reached a critical point in 2001. The number of food vendors selling everything from hot dogs to live turtles continues to increase dramatically in response to the large numbers of pedestrians frequenting the area. These vendors are not licensed and the food is not inspected by authorities.

The Fashion District BID requested assistance from the County Board of Supervisors to avert a potential public health hazard by asking for additional funding for more health inspectors downtown. The BID met with representatives from Supervisor Molina's office and the County Health Department to discuss several proposals including a multi-agency task force to enforce current health regulations as well as city ordinances. The Department of Public Health evaluated deployment of additional staff and on December 3rd, 2001 we received a call from Ms. Molina's office with news that the County has found some extra funds to deploy health inspectors on the weekends.

LAPD has been wonderful in helping us continue the sweeps of illegal vendors in the district. Sweeps conducted through November and December resulted in over 75 vendor citations - their goods and vending equipment were also confiscated. We filled the storage areas for the Health Department, LAPD and we created our own storage area, which is also completely full of illegal vending equipment.

Job Center Update

Several issues including loitering and public drunkenness were brought to the attention of the Mayor's Office by LAPD. Officer Kris Werner and a representative from Mayor Hahn's staff visited the Fashion District to observe the problems associated with laborers and their prospective employers. They also visited the Downtown Community Job Center site on 14th Place to ensure that all parties involved in the operation of the center are fulfilling their obligations to make the project work.

Homeless Forum

A homeless forum was sponsored by Council Member Jan Perry on Saturday, December 1, 2001. The problems of homelessness appear to be becoming more serious in downtown. Three Downtown BIDs including the Fashion District outlined our work with the homeless and detailed the problems businesses encounter on the front line of skid row. Council Member Perry has made this very complicated issue a priority and her goal is to make the Skid Row streets as nice a neighborhood as the rest of downtown.

Application for Technical Assistance from the International Downtown Association (IDA)

The Fashion District in partnership with the Downtown Center BID and Central City East Association's Toy and Industrial BIDs submitted an application for a technical assistance grant from the IDA in November, 2001. The funding will allow the development of a unique collaborative effort between the three BIDs and a number of social service organizations to address street behavior and homeless in downtown Los Angeles. Goals of the partnership will include implementation of specific programs and activities to assist homeless individuals and day laborers. A determination is expected the first week in February, 2002.

Violent Crime Ratio Down in Central Los Angeles

The Fashion District security teams' efforts to act as the eyes and ears of LAPD Central are paying off in reduced crime rates. The Fashion District BID, located in the Los Angeles Police Department's (LAPD) Central Division, is one of only three areas in Los Angeles where crime was down over last year. West LA and West Valley are the other divisions.

Drug Dealing on 7th Avenue on the Rise

Not all crime problems are decreasing. We met with Council District 14 representatives to discuss the problem of the dramatic increase in drug dealing on 7th Avenue. This has also become a matter of concern for residents in the new Spring Street lofts project just north of 7th Avenue in the Historic Downtown. The issue was raised again with Captain Stu Maislin at the homeless forum on Saturday, December 1, 2001. He stated that the narcotic's officers have been reduced significantly because of 9/11 and low LAPD staff levels. Nevertheless, LAPD responded by placing Metro officers on horseback as of December 3, 2001 in this area to deter drug activity.

Burglaries

On Sunday, December 9, 2001 an individual flagged down the Night Vehicle Patrol officers and provided them information on a burglary on Main Street near 14th Street. He showed officers where the burglary occurred and informed them that the criminals told him they would be returning to remove more merchandise. NVP officers notified the watch commander at LAPD Central and provided the information. They then took LAPD officers to the location and showed them where a hole had been knocked through the wall. LAPD initiated a stakeout and captured two suspects within an hour when they returned and continued their nefarious activity.

Two Bomb Hoaxes

A phony bomb was planted under a Safe Team member's personal vehicle in the parking lot during December. LAPD units and the bomb squad responded. They detonated the device which was subsequently determined to be a fake. Other BIDs in the area were notified of this threat. Another fake bomb was discovered by Safe Team members at the south end of the district. LAPD units and the bomb squad responded immediately with the same precautions.

Emergency Preparedness Plans

The Fashion District BID attended a meeting organized by Chief Parks to better coordinate LAPD and private security in regards to the terrorist attacks on September 11, 2001. We now have better and faster contacts for LAPD's terrorist division and bomb squads. We are also revamping our district emergency preparedness plans, for example, an additional radio repeater has been installed on an adjacent building to safeguard our communication system in case of a natural or man-made disaster. We have completed an inventory of every building over 3 stories and will be getting contact information for property managers in these locations to set up phone and e-mail trees.

MAINTENANCE

Trash tonnage collected in the Fourth Quarter increased 114 tons over 2001 Third Quarter tonnage.

Records show a 273 ton (64%) increase in trash tonnage collection over Fourth Quarter 2000.

<u>2001 Fourth Quarter</u>	<u>2001 Third Quarter</u>	<u>2000 Fourth Quarter</u>
695 Tons	581 Tons	422 tons

Illegal Dumping

Trash collection expenses increased to a staggering high in 2001. Some of the increase is due to confiscation of perishable items from illegal vendors. In addition we are concerned about merchants dumping their business trash in Fashion District baskets and in alleys.

Property owners are being asked to help reduce trash collection expenses and keep BID costs from spiraling out of control. Some owners have already received a letter from the Operations Committee citing the offending merchant business on their property. Property owners are also reminded that their tenants are required by LAMC codes to maintain a

commercial dumpster, use it and maintain a regular pick up schedule. We are also working with the Bureau of Street Services to implement a joint action program to reduce illegal dumping.

Other notable Clean Team fourth quarter accomplishments include:

84 alley cleanings
70,136 trash can liners used
61 storm drains cleaned
11 weed abatements

Automated Sidewalk Cleaning: Square Feet of Sidewalk Cleaned

2001	
<u>Fourth Quarter</u>	<u>Third Quarter</u>
17 million sq ft	14.5 million square feet
2000	
<u>Fourth Quarter</u> (manual equipment)	
4.3 million sq ft	

Automated equipment has proved to exceed expectations for improving sidewalk cleaning service delivery to the entire BID. Compared with manual pressure washing equipment, a fourth quarter comparison of 2000 and 2001 activity shows a 295% increase in square footage cleaned.

Gum Removal Progress

The Fashion District is also removing black gum spots from all district sidewalks with GumBusters' special gum removal system. The work continues on the west side of the district during night hours to avoid sidewalk closures during the business day. The clean sidewalks are encouraging owners and merchants to help maintain sidewalk conditions in front of their property.

Tree Trimming

All broadleaf trees in The Fashion District BID were trimmed by late October. We are using the same contractors as we did two years ago at the same cost per tree.

Clean Contract Bid

The Fashion District's three-year contract with Facility Support Services (FSS) to provide clean services expired on December 31, 2001. The Board of Directors agreed to extend the contract through the remainder of the current BID (2003) based on first-rate performance.

Clean Team Hours Extended for Holiday Coverage Hours

To prepare for the holidays, the Clean Team hired an additional three people to work from the day after Thanksgiving until Christmas. In addition, hours were shifted to ensure coverage to deal with cleanliness issues from 8 a.m. to 8:30 p.m., Monday through Saturday.

In addition, the Clean Team worked an additional half hour on Sundays and the late collector truck was authorized to work up to an hour of overtime each day, if necessary, during the busy period.

IMAGE & COMMUNICATIONS

Public Relations continues to be the main emphasis of the 2001 marketing campaign during the Fourth Quarter. Increased in media attention during the fourth quarter is primarily the result of the Holiday Marketing Campaign and launch of the online searchable directory.

2001 Media Impression Comparison

Fourth Quarter	26,829,139	Third Quarter	22,725,260
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This represents an 8% increase over last quarter.

2001 Website Hit Comparison

Fourth Quarter	119,389	Third Quarter	154,978
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Overall website hits declined this quarter compared with the third quarter however it is notable that December hits increased to 62% over hits recorded in December 2000 (37,323).

Interactive Searchable Directory

In December, The Fashion District launched its online directory on the website at www.fashiondistrict.org. The user friendly format is based on a store by store survey of products and services for both wholesale and retail buyers.

Shoppers and buyers can select an item from a menu of over 35 categories and the search engine produces a list of stores and locations where this item is available. As shown above, December website hits increased significantly over records for 2000. This may be attributed to the new online directory service.

Holiday Marketing Campaign

The Image & Communications Committee of the Fashion District Business Improvement District Board of Directors decided to double the funding allocation for the 2001 Fourth Quarter Marketing Campaign in support of the local businesses. This was possible without increasing assessments. Increased marketing efforts will begin in mid-November with a more intensive print and radio schedule. The plan included the following elements:

Promotion Summary

We advertised the Fashion District to fall buying markets in Women's Wear Daily and Apparel News. At the same time we worked to attract buyers and shoppers to the District for holiday shopping.

The cornerstone of this portion of the marketing effort was the opportunity for shoppers to win prizes donated from stores in the Fashion District. The prizes include shopping sprees, gift certificates and free shirts, etc. Print advertisements in the PennySaver carried a raffle ticket that shoppers must turn in to the district to enter. On Saturday, December 8, 2001 KIIS FM and KHHT/Hot 92.3 FM radio stations made appearances with their vans, tents, music and radio DJs. The stations helped announce some of the raffle prizewinners.

Print Advertising

Women's Wear Daily WWD
California Apparel News
PennySaver
LA Downtown News
LA Garment & Citizen

Radio Advertising

KIIS FM
KHHT FM
KLVE FM
KNX AM

Holiday Trolley Tours

Free guided tours of the Fashion District were increased to include tours on Saturday: November 24, December 1, 8, and 15 at 10 am and 11:30am

Website Special Events Update

Holiday Trolley Tours, Special Events and Prize information were posted on our website www.fashiondistrict.org.

Public Relations

In addition to the 2001 Fourth Quarter Marketing Campaign the Fashion District is also increased public relations efforts. On October 17th we hosted a media tour in the district in partnership with the Central City Association.

CBS 2 News Special Assignment filmed stores in the District on Wednesday for a segment on teen shopping that will air after an Nsync concert on Friday November 23rd.

These and other media outreach strategies were designed to make everyone in LA County aware that Downtown Los Angeles is open for wholesale and retail business and we are ready to welcome buyers, visitors and shoppers to the Fashion District.

Fashion District Banners

We completed design and manufacture of new banners. The new banners were installed in time for the holiday shopping season. Problems immediately arose because of a new tethering hardware system. The tethers are made of plastic and are breaking due to the weight of the banner and weather conditions.

The tethering system was selected by the City of Los Angeles and banner companies to avoid marring new light poles and eliminate the hazard of poles dropping from stationary type installations and causing injuries or damage to property below.